

Message Text

CONFIDENTIAL

PAGE 01 ISLAMA 08500 211221Z

ACTION IO-14

INFO OCT-01 EA-10 NEA-10 ISO-00 L-03 FRB-03 OMB-01

ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00

COME-00 EB-08 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CEA-01 SS-15 /098 W

-----124198 211231Z /50

R 211034Z AUG 77

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3464

INFO USMISSION GENEVA

AMEMBASSY JAKARTA

C O N F I D E N T I A L ISLAMABAD 8500

JAKARTA FOR AMBASSADOR WELLS AND COUNSELLOR PETREE

E.O. 11652: GDS

TAGS: ECON, EGEN, UNCTAD

SUBJECT: MULTILATERAL AFFAIRS: COMMODITIES-UNCTAD COMMON FUND

MEETING NOVEMBER 7-DECEMBER 2

REF: STATE 191312

1. WE DEVELOPED INFORMATION BELOW ON PAKISTAN'S ATTITUDE TOWARD COMMON FUND IN LONG, FRANK AND CORDIAL CONVERSATION WITH SARBULAND KHAN, DIRECTOR OF ECONOMIC COORDINATION IN UN OFFICE OF MINISTRY OF FOREIGN AFFAIRS. KHAN IS THE WORKING-LEVEL GOP OFFICIAL MOST DIRECTLY CONCERNED WITH UNCTAD, NEW INTERNATIONAL ECONOMIC ORDER AND COMMON FUND AFFAIRS.

2. PAKISTAN SUPPORTS THE IDEA OF A COMMON FUND AS ONE OF THE G-77'S MAJOR OBJECTIVES OF THE NIEO. HOWEVER, PAKISTAN RECOGNIZES THAT ITS MAJOR COMMODITY EXPORTS (COTTON, RICE) WOULD NOT BENEFIT FROM THE COMMON FUND, THAT IT EXPORTS ONLY MINOR QUANTITIES OF A FEW OF THE CORE COMMODITIES, AND THAT IT IMPORTS SEVERAL COMMODITIES WHOSE PRICES MIGHT BE RAISED BY A COMMON FUND. IT THEREFORE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ISLAMA 08500 211221Z

ATTACHES CONSIDERABLE IMPORTANCE TO THE SECOND WINDOW -- NOT ONLY FINANCING OF DIVERSIFICATION, BUT EVEN MORE TO PARTIAL COMPENSATION FOR LDC'S DAMAGED BY THE COMMON FUND. THIS WOULD CERTAINLY INCLUDE PAKISTAN. PAKISTAN CONSIDERS DIVERSIFICATION TO BE AN APPROPRIATE ACTIVITY OF THE COMMON FUND SINCE TO THE EXTENT IT SUCCEEDS IN RAISING PRICES FOR COMMODITIES IT WILL ALSO REDUCE DEMAND FOR THEM.

3. WHILE SUPPORTING THE COMMON FUND, PAKISTAN DOES NOT ITSELF CONSIDER IT AMONG THE MOST IMPORTANT FEATURES OF THE NIEO. IT CONSIDERS GREATER DIRECT RESOURCE TRANSFER, A SOLUTION TO THE DEBT RESCHEDULING PROBLEM, BETTER MARKET ACCESS, IMPROVEMENTS IN PROCESSING OF RAW MATERIALS BY LDC'S, AND MONETARY REFORM TO BE MORE IMPORTANT.

4. KHAN DOES NOT EXPECT THE NOVEMBER UNCTAD COMMON FUND MEETING TO BRIDGE ALL THE GAPS BETWEEN THE G-77 CONCEPT OF A COMMON FUND AND THE GROUP B CONCEPT. HE DID, HOWEVER, EXPRESS APPRECIATION FOR THE MORE FORTH-COMING AND OPEN ATTITUDE ON NIEO ISSUES OF THE CARTER ADMINISTRATION AND WAS HOPEFUL THAT IN TIME THIS WILL PERMIT A COMMON FUND OF SOME SORT TO BE NEGOTIATED.

5. KHAN SAID THAT COORDINATION ON NIEO ISSUES WITHIN THE GOP VARIES WITH THE ISSUE. ON DEBT, FOR EXAMPLE, DECISIONS ARE MADE JOINTLY BY THE MINISTRY OF FOREIGN AFFAIRS (LARGELY KHAN HIMSELF) AND THE PLANNING AND ECONOMIC AFFAIRS DIVISIONS OF THE FINANCE MINISTRY. ON THE COMMON FUND, DECISIONS ARE MADE JOINTLY BY THE MFA AND THE MINISTRY OF COMMERCE. (IT IS APPARENT THAT DECISIONS ARE MADE WITH A HEALTHY AND CALCULATED CONCERN FOR PAKISTAN'S NARROW INTERESTS.)

7. PAKISTAN OBVIOUSLY WANTS TO PLAY A KEY ROLE IN THE NEGOTIATIONS ABOUT THE NIEO IN GENERAL. IT WOULD LIKE TO PLAY THE ROLE OF

CONFIDENTIAL

PAGE 03 ISLAMA 08500 211221Z

COMPROMISER IN THE NEGOTIATIONS ABOUT A COMMON FUND, WHILE MAKING SURE THAT OF A SECOND WINDOW IS ESTABLISHED OR THAT PAKISTAN'S INTERESTS ARE OTHERWISE LOOKED OUT FOR. WE DOUBT, HOWEVER, THAT A VISIT BY AN EXPERT WOULD SUBSTANTIALLY CHANGE PAKISTAN'S VIEWS OR IMPROVE COORDINATION BETWEEN THE US AND PAKISTAN IN THE NEGOTIATIONS. WE DO SUGGEST THAT THE PAKISTAN REPRESENTATIVE TO THE UNCTAD MEETING BE GIVEN SOME ATTENTION ON THE SPOT.

8. KHAN SAID THAT THE DELEGATION TO THE UNCTAD COMMON FUND MEETING HAD NOT YET BEEN CHOSEN. HOWEVER, KHAN WAS ENGAGED IN THE MEETINGS LEADING UP TO AND INCLUDING THE CIEC MINISTERIAL, AND HE MAY WELL BE ON THE DELEGATION THIS TIME. IF SO, HE WILL BE WORTH CULTIVATING. HE IS INFORMED, RECEPTIVE AND ARTICULATE.

HUMMEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, PLANNING MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ISLAMA08500
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770302-0122
Format: TEL
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770840/aaaabher.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b6af8457-c288-dd11-92da-001cc4696bcc
Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 191312
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1537047
Secure: OPEN
Status: NATIVE
Subject: MULTILATERAL AFFAIRS: COMMODITIES-UNCTAD COMMON FUND MEETING NOVEMBER 7-DECEMBER 2
TAGS: ECON, EGEN, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b6af8457-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009